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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	:	Chapter 11
	:	
SEARS HOLDINGS CORPORATION, <i>et al.</i> ,	:	Case No. 18-23538 (RDD)
	:	
Debtors.	:	(Jointly Administered)
	:	
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**SUPPLEMENTAL DECLARATION OF WILLIAM C. GALLAGHER IN SUPPORT OF
DEBTORS' REPLY IN FURTHER SUPPORT OF THE SUPPLEMENTAL
MOTION TO ENFORCE THE ASSET PURCHASE AGREEMENT¹**

Pursuant to 28 U.S.C. § 1746, I, William "Bill" C. Gallagher, hereby declare as follows:

1. I submit this Declaration in support of the Debtors' Reply in Further Support of the Supplemental Motion to Enforce the Asset Purchase Agreement [ECF No. 4029] (the "**Motion**").

¹ Capitalized terms used in this Declaration but not otherwise defined herein will have the meanings set forth in the Motion or in the APA, as applicable. The APA is attached as Exhibit B to the *Order (I) Approving the Asset Purchase Agreement Among Sellers and Buyer, (II) Authorizing the Sale of Certain of the Debtors' Assets Free and Clear of Liens, Claims, Interests and Encumbrances, (III) Authorizing the Assumption and Assignment of Certain Executory Contracts, and Leases in Connection Therewith and (IV) Granting Related Relief* [ECF No. 2507] (the "**Sale Order**").

2. I am a Managing Director at M-III Partners, LP (“**M-III**”), the financial advisor to Sears Holdings Corporation and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**” or “**Sears**”).

3. I began my tenure at M-III in October 2018 and immediately thereafter began working for and on behalf of Sears and the Debtors. Over the last seven months, I have gained an extensive knowledge of the companies’ real-estate assets. Specifically, I have worked to manage and monetize the companies’ real-estate assets in connection with these chapter 11 cases. Inclusive of my time at M-III, I have almost forty years of experience in the financial industry, principally in the arenas of credit risk management, real-estate financing, mergers and acquisitions, and financial advisory services. In addition, I have approximately ten years of experience in restructuring, having been retained by a large real-estate finance company in 2009 to manage the restructuring of the company’s assets.

4. Except as otherwise indicated, all statements in this Declaration are based on my personal knowledge of the Debtors’ operations and finances gleaned during the course of my engagement with the Debtors, my discussions with the Debtors’ senior management, other members of the M-III team, and the Debtors’ other advisors, and my review of relevant documents and/or my opinion based upon my experience. If called to testify, I could and would testify to each of the facts set forth herein based on such personal knowledge, discussions, review of documents, and/or opinion.

5. As of Closing, the only lots in the Hoffman Estates Development that related to the operations of Sears’s business were lots 1A, 2, and 3. The other thirteen subdivided lots in the Hoffman Estates Development (the “**Non-Operating Lots**”) did not relate to the operation of Sears’s business.

6. It is not accurate to characterize Lots 1A, 2, and 3 as “vacant.” The road that allows for major ingress and egress to Sears’s headquarters—including its security booth—runs across one of the two lots the Buyer claims is vacant. The other lot contains baseball fields, a basketball court, and volleyball courts that are associated with Sears’s headquarters for use by its employees as well as another road that allows for ingress and egress to Sears’s headquarters. Both lots are within the security gates surrounding Sears’s headquarters. See **Exhibit A** attached hereto, which is a true and correct copy of a “Sears & Prairie Stone POA Ownership” drawing, an aerial map showing the sixteen subdivided lots in the Hoffman Estates Development.

7. The Debtors and their advisors considered Store, or Site, 490 to refer to Lots 1A, 2, and 3 in the Hoffman Estates Development. Indeed, Site 490 was clearly identified in the documents disclosed in the Intralinks datasite (an organized database of company-related documents accessible to potential purchasers for purposes of due diligence during the sale process), including without limitation surveys and title commitments, as Lots 1A, 2, and 3.

8. For example, a DLA Piper ordered zoning report for Site 490, included in Intralinks, was only for Lots 1A, 2, and 3. See **Exhibit B** attached hereto, which is a true and correct copy of a Mar. 29, 2018 EMG Zoning Report for “**Sears 490 – Hoffman Estates IL**” prepared for DLA Piper LLP.

9. Further, a Sears 490 Survey in Intralinks as of December 7, 2018 clearly shows that other property in the Hoffman Estates Development outside of Lots 1A, 2, and 3, including the Non-Operating Lots, were not included in the properties to be conveyed to the Buyer. The Survey describes only parcels 1A, 2, and 3 and is tagged as Sears 490. See **Exhibit C** attached hereto, which is a true and correct copy of a Mar. 27, 2018 ALTA/NPS Land Title Survey, Sears 490.

Conclusion

10. For the reasons set forth herein and in the *Debtors' Supplemental Motion to Enforce the Asset Purchase Agreement*, I believe that the Motion should be granted.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: July 3, 2019
New York, New York

/s/ William C. Gallagher
William C. Gallagher
Managing Partner
M-III Advisory Partners, LP